

**MEETING NO. 3247**  
**JOURNAL OF PROCEEDINGS**  
**BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM**  
**OF THE CITY OF DETROIT**  
**HELD THURSDAY, OCTOBER 17, 2019**

9:00 A.M.  
RETIREMENT SYSTEMS' CONFERENCE ROOM  
ALLY DETROIT CENTER, 500 WOODWARD AVENUE; SUITE 3000  
DETROIT, MICHIGAN 48226

**TRUSTEES PRESENT**

Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Angela R. James	Ex/Officio Retiree Trustee/Police/Mayoral Designee
Christa Mclellan	Ex/Officio Trustee/Treasurer
Megan S. Moslimani	Ex/Officio Trustee/Corporation Counsel /Vice-Chairperson
John Naglick Jr.	Ex/Officio Trustee/Finance Director
George Orzech	Elected Retiree Trustee/Fire
Dean Pincheck	Elected Trustee/Fire
Ronald Thomas	Elected Trustee/Police
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Deputy Budget Director/Budget Director's Designee

**TRUSTEES EXCUSED**

Michael F. Berent	Elected Trustee/Fire
Matthew Gnatke	Elected Trustee/Police/ Chairperson
Brenda Jones	Ex/Officio Trustee/City Council President
Jeffrey Pegg	Elected Trustee/Fire
Portia Roberson	Ex/Officio Trustee/Mayoral Alternate
John Serda	Elected Trustee/Police

**ALSO PRESENT**

Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Joann Harrison	Board Secretary
Ronald King	General Counsel
Bruce Babiarz	Public Relations Advisor
Dr. Oscar King III	Board Lobbyist

**STAFF EXCUSED**

David Cetlinski	Executive Director
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VICE-CHAIRPERSON

**Megan S. Moslimani**

A verbal Roll Call commenced at 9:37 a.m. and Vice-Chairperson Moslimani called the meeting to order.

***Present at Roll Call: Shawn Battle, Christa McLellan, John Naglick, George Orzech, Dean Pincheck, Ronald Thomas, Gregory Trozak and Steven Watson.***

**Re: Approval of October 17, 2019 Agenda**

Trustee Pincheck moved to approve the agenda dated Thursday, October 17, 2019. Trustee Naglick supported. The motion passed unanimously.

**Re: Approval of DROP Applications**

Trustee Pincheck moved to approve the DROP applications as listed below. Trustee Orzech supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Glenn D. Doss - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 09 16 – 09 24 19
NAME, TITLE, DEPARTMENT	Darryl K. Jackson - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 07 16 – 11 25 19
NAME, TITLE, DEPARTMENT	Sivad H. Johnson – Fire Fighter – MFR - Fire
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	19 10 23 – 09 05 19
NAME, TITLE, DEPARTMENT	Kenneth M. Martin - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 00 03 – 09 25 19
NAME, TITLE, DEPARTMENT	Nick B. Whitaker - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 09 04 – 09 30 19

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**Re: Approval of RETIREMENT Application**

Trustee Trozak moved to approve the RETIREMENT application as listed below. Trustee McLellan supported. The motion passed unanimously

NAME, TITLE, DEPARTMENT	Frank E. Harris – Fire Sergeant - Fire
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 09 01 19

**Re: Approval of HYBRID Applications**

**None**

**RECEIPTS:**

The Board acknowledged the following receipts:

Cash Receipts			Cash Account:	HYBLIQRES	
Company:	RSCD-PFRS		Start Date:	9/23/2019	
			End Date:	10/14/2019	
Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C
9/27/2019	GL			Post tax annuity contributions 9-27-19	8,802.14
9/27/2019	CA	Cash Entry	001523	Pre tax pension contributions 9-27-19	R/C 280,667.15
10/4/2019	GL			Post tax annuity contributions 10-4-19	10,669.34
10/4/2019	CA	Cash Entry	001530	Pre tax pension contributions 10-4-19	R/C 103,268.52
					<u>403,407.15</u>
Cash Receipts			Cash Account:	LIQUID RES	
Company:	RSCD-PFRS		Start Date:	9/23/2019	
			End Date:	10/14/2019	
Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C
9/30/2019	CA	Cash Entry	001531	Loan Deductions 9-27-19 (\$72,710.47)	R/C 72,710.47
10/9/2019	CA	Cash Entry	001540	Loan Deduction Program 10-4-19 (\$27,021.61)	R/C 27,021.61
					<u>99,732.08</u>
Total Receipts					<u><u>503,139.23</u></u>

➤ Trustee James entered the Boardroom 9:45 a.m.

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**Re: Approval of Disbursements**

Trustee Trozak moved to approve the Disbursement List as outlined below. Trustee Orzech supported.

Yea – Battle, McLellan, Naglick, Orzech, Pincheck, Thomas, Trozak, Watson and Vice Chairperson Moslimani – 9

Abstain – Trustee James - 1

Disbursement Report

Page: 1 of 2  
Date: 10/14/2019 9:58 AM

Account	Payment Method	Currency
LIQUID RES	WIRE	US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
CLAYTON, DUBLIER & RICE FUND X, L.P - HAMILTON 100919		Capital Call	983,538.00
COMVEST CAPITAL IV LP	101119	Capital Call	1,208,672.00
PERMIRA CREDIT SOLUTIONS III	101819	Capital Call	3,330,000.00
VALSTONE OPPORTUNITY FUND VI AIV I, LLC	100819	Capital Call	572,737.69
VISTA EQUITY PARTNERS FUND VII, L.P	101819	Capital Call	225,457.00
Bridgett Hardy	093019BH	IT Contractual Wages - September 2019	5,391.34
James R. Hollins	093019JH	IT Contractual Wages - September 2019	4,892.10
Raymond R. Tchou	093019RT	IT Contractual Wages - September 2019	8,830.33
Venkat Rallapalli / Highbrow Systems, Inc.	093019VR	IT Contractual Wages - September 2019	7,529.74
<b>Cash Account/Payment Method Total:</b>			<b>9 Documents</b>
			<b>6,347,048.20</b>

HUNT VEND	ACH	US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC	1013367	Electrical Billing: 8/30/19-9/27/19, #16055044	684.29
500 WEBWARD LLC	1013368	Electrical Billing: 8/30/19-9/27/19, #16055070	817.01
8x8 INC.	2493957	Phone System Services	1,400.85
CLARK HILL, PLC	912750	DROP Program for August 2019	3,119.00
CLARK HILL, PLC	912751	Salkowski DROP Litigation for August 2019	17,538.90
CLARK HILL, PLC	913782	General Counsel Services for August 2019	26,250.00
Cogent Communications, Inc.	100119	Internet Service	1,023.00
CREATIVE BREAKTHROUGHS INC	INV2480	Software Maintenance	11,400.00
CREATIVE BREAKTHROUGHS INC	INV2520	Parking Expense - Omar Faraji	10.00
GABRIEL, ROEDER, SMITH & CO	449855	Actuarial Services for September 2019	10,392.00
KLAUSNER & KAUFMAN	24546	Legal Services for August 2019	140.00
KLAUSNER & KAUFMAN	24633	Legal Services for September 2019	350.00
NORTHPOINTE CAPITAL, LLC	3Q19	Management Fees - 3rd Qtr '19	79,841.92
PENN CAPITAL MANAGEMENT COMPANY, Inc	2Q19	Management Fees 2nd Qtr '19	57,057.98
PLANTE & MORAN	1737001	Financial Statement Audit for 6/30/19	54,750.00

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QUILL CORPORATION	1409820	Office Supplies	289.17
SMARTSHEET INC.	INV120890	Business Plan - Licensed Users + Pro Support	1,188.00
STEPSTONE GROUP REAL ESTATE LP	1338	Management Fees 2nd Qtr '19	51,906.00
UHY Advisors MI, Inc.	1312944	Professional IT Services for September 2019	8,700.00
UHY Advisors MI, Inc.	1313440	Professional IT Services for September 2019	39,337.50
		<b>Cash Account/Payment Method Total:</b>	<b>20 Documents</b>
			<b>366,195.62</b>

HUNT VEND    CHECK        US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
ANGELA JAMES	091919AJ	Trustee Parking	87.00
CINTAS CORPORATION-300	4031619838	Floor Mats	130.65
COMCAST	091719	High Speed Internet	180.21
DIRECTV	36729536117	Service Charges 9/23/19-10/22/19	39.12
EASY VERIFICATION INC	19-51138	Test Member Verification Request	4.00
EXAMWORKS, INC.	160-1909510	Independent Medical Evaluation	725.00
F. LOGAN DAVIDSON, P.C.	082419	Romulus Deepwell Sale Legal Services	1,539.00
FEDEX	6-748-41516	FedEx Mailing	26.14
FEDEX	1-860-05425	FedEx Mailing	35.05
First CHOICE Coffee Services	644345	Equipment Rental	30.00
GREGORY TROZAK	091919GT	Trustee Parking	125.00
Iron Mountain Records Management	BZSD673	Records Storage	1,968.86
KELLEY CAWTHORNE	10631	Lobbyist Services for October 2019	7,500.00
Matthew Gnatek	100319MG	Matthew Gnatek	20.00
METCOM	R-16525	Spirit Business Card Master Run	33.98
NCPERS	10847	Membership Renewal thru 12/31/2020 - David Cetlinski	255.00
SHRED-IT USA	8128181168	Shredding Service Charges	49.73
TRANSUNION RISK & ALT DATA SOLUTIONS INC	3712221-201909-TLOxp Research Services		25.00
		<b>Cash Account/Payment Method Total:</b>	<b>18 Documents</b>
			<b>12,773.74</b>

\* Payment amount is estimated based on the effective date 10/14/2019

### **Re: Approval of Refunds (Accumulated Contributions)**

Trustee Orzech moved to approve the Refunds/Accumulated Contributions list as outlined below. Trustee Pincheck supported. The motion passed unanimously.

List number 3809 - \$318,235.23

List number 3810 - \$215,160.34

### **Re: Approval of the Frozen Defined Contribution Plan/Employee Loan Program**

Trustee Pincheck moved to approve the Frozen Defined Contribution Plan/Employee Loan Program as outlined below. Trustee Orzech supported. The motion passed unanimously.

List 3269 – \$40,000.00

List 3270 - \$33,886.00

### **ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

Assistant Executive Director, Kelly Tapper, addressed the following with the Board of Trustees:

- Draft of Employee Newsletter
- Reported that Executive Director, David Cetlinski stated that the audit is on track with no issues.

## **EXECUTIVE DIRECTOR'S REPORT**

None

### **Motley Rice Presentation**

Marlon Kimpson, Josh Littlejohn and Meredith Weatherby of Motley Rice moved to the head of the table and began covering:

- Securities Litigation
- Market Update

Marlon Kimpson, Josh Littlejohn and Meredith Weatherby exited the Boardroom.

### **CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer, Ryan Bigelow, had no formal report, but discussed the following matters with the Board:

- Will provide a write up from New York trip at the next Board meeting.
- Chief Investment Officer, Ryan Bigelow, will provide an update for GASB and the Life Assurance policy at the next Board meeting.

### **PUBLIC COMMENT**

None

### **PUBLIC RELATIONS REPORT**

- Newsletter
- Articles regarding other Pension Funds
- Mackinaw Center for Public Policy
- Fischer Investments

### **LOBBYIST'S REPORT**

None

- The Board took a short break at 10:25 a.m.
- The Board returned from break at 10:30 a.m.

## **Smith Graham Presentation**

Lorenzo Newsome and Donna Sims Wilson of Smith Graham moved to the head of the table and began an overview of the Smith Graham Fixed Income Market Review and Outlook.

Lorenzo Newsome and Donna Sims Wilson exited the Boardroom.

## **UHY /PROCENTIA PRESENTATION**

Cory McNeley of UHY and Dan Osicka of Procentia moved to the head of the table and discussed the following:

- Budget
- Savings to Date
- Implementation Schedule

Cory McNeley and Dan Osicka exited the Boardroom.

Ramzee Jackson entered the Boardroom to discuss the over/under billing of employer contribution.

Ramzee Jackson exited the Boardroom.

## **GENERAL COUNSEL'S REPORT**

General Counsel, Ronald King, in addition to his legal report, discussed the following matters with the Board:

- EDRO
- Report from Marie Racine
- Deputy Chief Investment Officer Compensation

There was an update with respect to whether the issue related to DCIO compensation could impact certain certifications and reporting requirements imposed on the Investment Committee under the Plan of Adjustment (“POA”), the State Contribution Agreement and City’s reporting obligations under the Omnibus Transaction Agreement (“OTA”). The IC certification under the OTA relate to whether the City has met its obligations under the POA for purposes of receiving funding from the Foundation for Detroit’s Future. The purpose of this informational discussion was to set forth the various reporting requirements in order to inform the Board with respect to the DCIO compensation matter.

**Re: Marcus C. McClung v Virginia C. Cobb**

**Macomb County Circuit Court Case No. 2018-001764-DM**  
**Mt Clemens, Michigan**

By: Trustee McClellan – Supported By: Trustee Pincheck

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit (“Board”) is in receipt of an Eligible Domestic Relations Order (“EDRO”) entered on June 11, 2019, which supplements a Judgment of Divorce entered on December 19, 2018, wherein Alternate Payee **VIRGINIA C. COBB** is awarded certain rights to the retirement benefits of Participant **MARCUS C. MCCLUNG**, an active employee,

WHEREAS, the EDRO provides that the Alternate Payee **VIRGINIA C. COBB** receive a monthly benefit from the Retirement Allowance portion of Participant’s Component I benefit in the amount of 50% of the marital portion of the Participant’s Retirement Allowance, including a pro-rata share of any guaranteed automatic pension increases, which has accrued as of December 19, 2018, and

WHEREAS, the marital portion is defined as the increase in accrued benefit from the date of marriage, October 25, 2012, through the date of divorce, December 19, 2018, and

WHEREAS, the Alternate Payee **VIRGINIA C. COBB IS** entitled to receive a monthly benefit from the Retirement Allowance portion of Participant’s Component I benefit in the amount of 50% of the marital portion of the Participant’s Retirement Allowance, including a pro-rata share of any guaranteed automatic pension increases, which has accrued as of December 19, 2018, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **VIRGINIA C. COBB** a distribution from the Voluntary Employee Contributions of Participant’s Component I benefit in an amount equal to 50% of the accumulated balance under the plan as of December 19, 2018, including a pro-rata share of any annual adjustments made after December 19, 2018 and before the date of distribution to reflect gains or losses allocated to the Participant’s Voluntary Employee Contributions Account, and

WHEREAS, the Alternate Payee **VIRGINIA C. COBB IS** entitled to a distribution from the Voluntary Employee Contributions of Participant’s Component I benefit in an amount equal to 50% of the accumulated balance under the plan as of December 19, 2018, including a pro-rata share of any annual adjustments made after December 19, 2018 and before the date of distribution to reflect gains or losses allocated to the Participant’s Voluntary Employee Contributions Account, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **VIRGINIA C. COBB** a monthly benefit from the Pension portion of Participant’s Component II benefit in an amount equal to 50% of the marital portion of the Participant’s pension, including any pro-rata share of any guaranteed automatic pension increases, which have accrued as of December 19, 2018, and

WHEREAS, the Alternate Payee **VIRGINIA C. COBB IS** entitled to a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 50% of the marital portion of the Participant's Pension, including any pro-rata share of any guaranteed automatic pension increases, which have accrued as of December 19, 2018, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **VIRGINIA C. COBB** a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 50% of the marital portion of the accumulated balance under the Plan as of December 19, 2018, including a pro-rata share of any annual adjustments made after December 19, 2018 to reflect gains or losses allocated to the Defined Contribution Plan, and

WHEREAS, the Alternate Payee **VIRGINIA C. COBB IS** entitled to a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 50% of the marital portion of the accumulated balance under the Plan as of December 19, 2018, including a pro-rata share of any annual adjustments made after December 19, 2018 to reflect gains or losses allocated to the Defined Contribution Plan, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Virginia C. Cobb and her counsel, Ashley Zacharski, and Participant Marcus C. McClung and his counsel, Molly Eklund-Easley.

Yea – Battle, James, McLellan, Naglick, Orzech, Pincheck, Thomas, Trozak, Watson and Vice Chairperson Moslimani – 10

Nays - None

**Re: Entering Into Closed Session**

Resolution Moved By: Trustee Pincheck Supported By: Trustee Orzech

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; THEREFORE BE IT

RESOLVED, that the Board enters into Closed Session for the purpose of discussing Attorney/Client privileged matters regarding the following:

- Proposed Litigation

A Roll Call Vote was taken as follows:

Yea – Battle, James, McLellan, Naglick, Orzech, Pincheck, Thomas, Trozak, Watson and Vice Chairperson Moslimani – 10

Nays – None

The Board entered into Closed Session at 12:03 p.m.

**Re: Open Session**

Trustee Pincheck moved to come out of closed session. Trustee Trozak supported.

The motion passed unanimously.

The Board returned to Open Session at 12:25 P.M.

**Re: Bernstein Litowitz**

Resolution Moved By: Trustee Naglick Supported By: Trustee Pincheck

RESOLVED, that the Board engages Bernstein Litowitz to pursue a potential securities class action against ProPetro Holding Corp., and certain of the Company’s officers and directors.

Yea – Battle, James, McLellan, Naglick, Pincheck, Thomas, Trozak, Watson and Vice Chairperson Moslimani – 9

Nays – Trustee Orzech - 1

**NEW BUSINESS/OLD BUSINESS**

- Trustee Watson reported that the Annual Public Budget Meeting will be held on Wednesday, October 30, 2019 at the Butzel Center from 6-8 pm.

**ADJOURNMENT**

Trustee Pincheck moved to adjourn meeting #3247; Trustee Thomas supported.

Vice Chairperson Moslimani adjourned the meeting at 12:30 P.M. The Board's next meeting is scheduled for Thursday, November 7, 2019, at 9:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director